

Message Text

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SUBJ: ADVERTISING BY FOREIGN FIRMS IN USSR

1. INTRODUCTION AND SUMMARY: IN DEVELOPING THE SOVIET MARKET, FOREIGN SELLERS HAVE COME TO RECOGNIZE THE IMPORTANCE OF STIMULATING DEMAND FOR THEIR PRODUCTS AMONG POTENTIAL END-USERS. TO REACH THE END-USER U.S. FIRMS HAVE USUALLY RELIED ON PERSONAL CONTACT THROUGH TRADE SHOWS OR VISITS. OTHER WESTERN COMPANIES, WHILE NOT NEGLECTING THESE TECHNIQUES, HAVE SUPPLEMENTED THEM WITH ADVERTISING, EITHER IN SOVIET PUBLICATIONS OR IN DIRECT MAILINGS TO POTENTIAL END-USERS. THIS MESSAGE, BASED ON MEETINGS WITH THE PRESIDENT OF VNESHTORGREKLAMA, THE STATE PUBLIC SCIENTIFIC-TECHNICAL LIBRARY AND THIRD-COUNTRY COMMERCIAL OFFICERS AND BUSINESSMEN, SURVEYS THESE POSSIBILITIES AND OTHERS' EXPERIENCE WITH THEM.

2. FOREIGN FIRMS WISHING TO ADVERTISE IN THE USSR MUST WORK THROUGH V/O VNESHTORGREKLAMA, THE SOVIET ADVERTISING FTO. THEY MAY DEAL DIRECTLY WITH VNESHTORGREKLAMA'S MOSCOW OFFICE OR THROUGH ITS U.S. AGENT, MARSTELLER, INC., 866 THIRD AVE., N.Y., N.Y. 10022, TELEPHONE 212-752-6500.

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BOB TREBUS, MARSTELLER VICE PRESIDENT, HANDLES THE FIRM'S

SOVIET BUSINESS.

3. ADS MAY BE PLACED IN SPECIALIZED ALL-UNION NEWSPAPERS, SUCH AS EKONOMICHESKAYA GAZETA, LOCAL NEWSPAPERS AND MORE THAN 200 TECHNICAL JOURNALS. DETAILED INFORMATION AND CURRENT RATES ARE AVAILABLE THROUGH MARSTELLER. THE SWEDISH COMATT FELT THAT PUBLICATIONS ADVERTISING WAS WORTH THE MONEY, EXPECIALLY AS A WAY OF ANNOUNCING NEW PRODUCTS, WHILE C. ITOH'S LOCAL REP BELIEVED SUCH ADS WERE AN EFFECTIVE FORM OF INSTITUTIONAL ADVERTISING. A UK COMMERCIAL OFFICER SAID BRITISH FIRMS HAD DONE LITTLE PUBLICATIONS ADVERTISING, AND THE FRG COMOFF DIRECTOR REPORTED THAT WHILE GERMAN FIRMS WERE PLACING ADS, HE HAD RECEIVED NO FEED-BACK ON THEIR RESULTS.

4. IN ADDITION TO PUBLICATION ADVERTISING VNESHORGREKLAMA OFFERS A MAIL DISTRIBUTION SERVICE, WHICH RECEIVES ADVERTISING MATERIAL IN BULK FROM FOREIGN FIRMS AND MAILES IT DIRECT TO POTENTIALLY INTERESTED SOVIET ORGANIZATIONS. BEWT/USSR (BROUGHEJ) HAS DETAILED INFORMATION AND A CURRENT PRICE LIST. THE EFFECTIVENESS OF THIS SERVICE MUST BE TAKEN ON FAITH, FOR VNESHORGREKLAMA DOES NOT MAKE A COPY OF ITS SUPPOSEDLY HAND-TAILORED MAILING LIST AVAILABLE TO THE FOREIGN CLIENT. HOWEVER, THE FRB COMOFF DIRECTOR SAID GERMAN FIRMS' EXPERIENCE WITH THE SERVICE HAD BEEN POSITIVE.

5. WHILE NOT UTILIZING VNESHORGREKLAMA, THE UK DOES USE A DIRECT-MAIL APPROACH IN SENDING ITS QUARTERLY RUSSIAN-LANGUAGE MAGAZINE "BRITISH INDUSTRY & ENGINEERING" TO A LIST OF END-USERS COMPILED BY THE EMBASSY. (A COPY CAN BE SEEN IN BEWT/USSR.) PUBLISHED UNDER SEMI-OFFICIAL SPONSORSHIP BUT CONTAINING COMMERCIAL ADVERTISING, THE MAGAZINE IS MAILED DIRECT FROM LONDON UNDER AN AGREEMENT DEVELOPED SHORTLY AFTER WORLD WAR II. IF WE WISHED TO FOLLOW THIS BRITISH LEAD, THE US-USSR TRADE AND ECONOMIC COUNCIL MIGHT BE A LOGICAL PUBLISHER FOR AN AMERICAN MAGAZINE, BOTH BECAUSE OF THE PROJECT'S COMMERCIAL NATURE AND THE NECESSITY OF SOVIET COOPERATION IN DEVELOPING A MAILING LIST.

6. BOTH PUBLICATION AND DIRECT-MAIL ADVERTISING CAN BE USED IN CONJUNCTION WITH THE SERVICES OF THE CATALOG DIVISION OF

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THE STATE PUBLIC SCIENTIFIC-TECHNICAL LIBRARY. THIS INSTITUTION, A PART OF THE STATE COMMITTEE ON SCIENCE AND TECHNOLOGY, STOCKS COMPANY CATALOGS FOR ON-SITE REFERENCE AND MAILING TO ENQUIRERS IN OTHER PARTS OF THE USSR. FOREIGN ADVERTISERS' COPY CAN THUS CONTAIN ONLY A BRIEF DESCRIPTION OF THEIR PRODUCTS BUT REFER THE INTERESTED READER TO THE LIBRARY FOR MORE INFORMATION, SOMETIMES PROVIDING PRE-ADDRESSED REPLY CARDS. VNESHORGREKLAMA PRESIDENT KARPOV

RECOMMENDED THIS TECHNIQUE, WHICH MANY FOREIGN ADVERTISERS ALREADY USE, AND OUR THIRD-COUNTRY COMMERCIAL CONTACTS SAID THEY REGULARLY ADVISED FIRMS TO SEND CATALOGS TO THE LIBRARY, EVEN IN THE ABSENCE OF AN ADVERTISEMENT. LIBRARY OFFICIALS SUGGEST THAT FIRMS FORWARD THEIR MATERIAL, IN A MINIMUM OF 100 COPIES, TO THE CATALOG DIVISION, P1. NOGINA 2/5, MOSCOW, WELL IN ADVANCE OF THE APPEARANCE OF THEIR ADS.

7. CONCLUSION: ADVERTISING MAY HAVE VALUE IN REACHING PROSPECTIVE END-USERS SPREAD THROUGHOUT THE USSR OR IN PUBLICIZING A COMPANY OR BRAND NAME AS PART OF A FIRM'S LONG-TERM MARKETING STRATEGY. HOWEVER, PRODUCT ADVERTISING IS OBVIOUSLY NOT A SUITABLE TECHNIQUE FOR EVERY U.S. COMPANY ENTERING THE SOVIET MARKET. WHERE END-USERS ARE FEW AND/OR CONCENTRATED, ITS SCATTER-GUN APPROACH MAKES LITTLE SENSE AS A DIRECT SALES TOOL. EVEN WHERE ADVERTISING IS ADVISABLE, IT SHOULD NOT ORDINARILY BE USED IN ISOLATION BUT IN CONJUNCTION WITH EXHIBITIONS, SEMINARS AND OTHER MEANS OF PERSONAL CONTACT WITH END-USERS.
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